

DD/A Registry  
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H-1-1-1

MEMORANDUM FOR: [ ] Comptroller  
DA/Management Staff  
DD for Policy, Analysis and Evaluation, OP

FROM: [ ] OCA

SUBJECT: Agreed Upon Changes To HR 2112  
and Classified Annex

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1. I have talked with all of you about the draft language changes to the referenced subject. We have reached agreement on what we want changed. Those changes are listed below. We have not agreed to the exact language. I am attaching a revised version of what I gave each of you on Thursday. [ ] and I agree to this language. I am also providing a copy of a letter to Boren from the DCI which addresses this same issue.

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2. Here's what all agree to for Section 601:

--We agree to a study. But the Presidential Commission should be downgraded to a less prestigious group, like a consulting organization such as NAPA.

--The time for the study should be reduced from 9 months to 3 months.

--That the study should be classified.

3. For the classified index we want language which will not preclude the Agency from making changes to its existing personnel management system, like changes to the Secretarial Pay System or the Commo banding process. We do agree to the provisions in the classified annex regarding implementation of a large scale change as envisioned by the new Personnel, Pay and Management Compensation system.

4. With this agreement, it is now time to ask [ ] in conjunction with the Comptroller staff to write up the language we want to transmit to the SSCI staff.

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cc: D/Compt.  
D/OCA  
A/DDA  
DDA  
D/OP

30-4-1

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## CIA Modifications to section 601, Title VI, "Study of Intelligence Personnel Systems 2112 and Classified Annex

Frist, we do not view any study of Community Intelligence Personnel systems as a necessary precursor to changes in CIA's Personnel management systems. Our special requirements and needs mandate that we continue to improve our personnel management system to ensure our continuing ability to attract and retain the best possible calibre of employees so that we maintain our ability to meet the intelligence imperatives of the future.

CIA has briefed several community agencies (NSA and DIA in particular), and these agencies support the CIA initiative and see the CIA effort as being in the mainstream of personnel changes they themselves have made or are making.

As to the rest of the federal service, we note that several similar systems are already in progress which are supported by the Office of Personnel Management. Moreover, several bills have been recently introduced which, like the CIA proposed Personnel, Pay, Management and Compensation system, propose major agency wide projects to reform and improve the GS system. Delaying our experimentation while the rest of government proceeds to develop new personnel management approaches will not facilitate the development of systems which are particularly relevant to the needs of CIA or other community agencies. We also note that the Deputy Director of the Office of Personnel and Management has been fully briefed on the CIA proposed system and supports this initiative. Indeed, he has offered to testify to the oversight committees on our behalf.

If the conference committee continues to hold that a study is required, we believe strongly that a Commission of the calibre of membership suggested is not mandated. A study can be more efficiently and effectively conducted by an objective and qualified consultant with support for the intelligence community agencies.

Most important we hold that any study must be classified to ensure that all relevant data is made available and known in any final report.

The time allocated to the study is clearly excessive and detrimental to CIA's effort to make changes in some areas of our personnel management system on a timely basis. We have devoted careful and considered study of our personnel management system and have widespread acceptance and enthusiasm among many of our employees and managers to begin some implementation at the beginning of CY 1988. We would also offer that the costs of \$.5M would be significantly reduced if less time were devoted to any study.

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The Honorable David Boren  
Chairman  
Select Committee on Intelligence  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

I write to provide you the views of the Director of Central Intelligence on the Senate and House versions of the "Intelligence Authorization Act for Fiscal Year 1988," S. 1243 and H.R. 2112, respectively.

There are a number of provisions in both bills which were contained in the Administration's draft version of this legislation as transmitted to the Congress and referred to both intelligence committees. We strongly support these provisions. They include the provision in Section 501 of both bills to increase the allowance available for the purchase of uniforms by certain Defense Intelligence Agency (DIA) personnel stationed overseas. Also included in this group are Sections 502 and 503 which extend the certain special termination authorities granted to the Secretary of Defense with respect to Department of Defense (DoD) intelligence personnel.

Section 504 of the Senate bill, also stemming from a provision in the Administration bill, would extend to DIA the nondisclosure authorities enjoyed by other entities in the Intelligence Communities. The House bill does not contain a similar provision. We believe this provision is an important complement to DIA's statutory authorities and thus commend it to the conferees.

Although not included in the Administration's bill, both the Agency and the Community strongly support Section 102 (b) of the House bill excluding DIA personnel from the otherwise automatic reductions-in-force provisions. We appreciate the House's efforts in this area and commend the provision to the conferees.

Section 601 of the House bill would create a Presidential "Commission on Intelligence Personnel Systems" to review Intelligence Community personnel systems and make legislative recommendations. From the standpoint of both the Agency and the Community, we believe the creation of such a commission is unnecessary and thus cannot support Section 601.

Just last year, Section 507 of the Fiscal Year 1987 Intelligence Authorization Act mandated that the Secretary of Defense and the Director of Central Intelligence (DCI) submit to the Congress a report on intelligence personnel systems. The focus of that report (transmitted to the Congress on 13 February 1987) was essentially identical to the scope of activity proposed for the commission. We believe that this report, plus the committees' extensive knowledge of this subject gained through several years of oversight, would be sufficient to provide a basis for whatever legislative action is deemed necessary. The work of the commission, following so hard on the heels of the DCI's report, would be unnecessarily duplicative.

With respect to concerns about the Agency's Human Resource Modernization and Compensation Task Force which may underlie this proposal, I note that the work of the Task Force is not even near completion. While its charge is a broad one, it is not clear at this point what sort of recommendations will come out of its work. The Agency believes the work of the Task Force should go forward. We will continue our efforts to keep the committees fully informed of its work. Further, we will work with the committees to ensure that any legislative changes which are recommended by the Task Force and adopted by the Agency are addressed appropriately from a Community standpoint.

Turning now to concerns about the Community which may have led to this proposal, there are admittedly differences among the various Community personnel systems. It is almost a truism, however, to say that these stem from the fact that the Community is composed of different (in some cases, vastly different) agencies. These differences have existed for some time now and are likely to continue, so long as we approach intelligence from a Community perspective. Neither the existence of these differences nor the fact that from time to time minor changes to existing personnel systems are necessary, compel the conclusion that a study commission is required.

We note that the efforts of the Task Force are similar to those currently being conducted by the National Bureau of Standards and at the China Lake naval facility. They are also similar to various legislative proposals currently before the Congress.